



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Wednesday Evening, July 30, 2008

Electricity

SCE Reports Minor Outages, Substation Fire in California Due to Earthquake July 29

Southern California Edison reported that its transmission and generation systems were operating normally July 29 after a 5.4 magnitude earthquake struck near Chino Hills, California but an estimated 5,000 customers near the earthquake's epicenter lost power. SCE expected to have all customers restored by late July 29. A fire also occurred at SCE's substation in La Habra but no major damage was reported. The earthquake was felt at SCE's San Onofre Nuclear Generating Station site but there were no safety issues reported and no indications of any damage.

<http://www.marketwatch.com/news/story/southern-california-edison-transmission-generation/story.aspx?guid=%7B88DAB84E-E8AD-4368-A0B7-5F11BDDC2E62%7D&dist=hppr>

Update: Southern's 830 MW Farley Nuke Unit 1 in Alabama Ramps Up to 30 Percent by July 30

The Nuclear Regulatory Commission reported that on the morning of July 29 the unit was not operating. The unit was shut down on July 22 to make repairs to a diesel generator.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Duke Energy's 510 MW Moss Landing Gas-fired Unit 2 in California Returns to Service by July 29

According to the California Independent System Operator, the unit returned from an unplanned curtailment of 260 MW by July 29.

<http://www.caiso.com/unitstatus/data/unitstatus200807291515.html>

Petroleum

Kinder Morgan Shuts 7 Product Pipelines in California Due to Earthquake July 29 All But One Restarted by Late July 29

According to a Reuters report, Kinder Morgan shut seven petroleum product pipelines as a precaution due to a 5.4 magnitude earthquake near Chino Hills, California, but restarted all but one of the lines by late July 29. The one line that did not restart on July 29 remained shut early July 30 as the company undertook pressure testing. A company spokesman said that no leaks or damage had been detected and the line was expected to return to service soon. According to an OPIS report, the shut line runs from Colton to San Diego, California.

<http://uk.reuters.com/article/oilRpt/idUKN3034411620080730>

<http://www.reuters.com/article/latestCrisis/idUSN29363161>

http://www.kindermorgan.com/investor/kmp_2007_annual_report_overview.pdf

BP Reduces FCCU Rates at 205,000 b/d Texas City, Texas Refinery July 29

According to a filing with Texas regulators, the company reduced rates on the fluidic catalytic cracking unit (FCCU) number 1 after the electrostatic precipitator stack tripped offline.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=111760>

Alkylation Unit Shut at Shell's 165,000 b/d Martinez, California Refinery July 28

Sources familiar with refinery operations said that the alkylation unit was shut for unplanned repairs.

<http://in.reuters.com/article/oilRpt/idINN3050029020080730>

Power Outage Shuts Several Units at Irving Oil's 300,000 b/d St. John, New Brunswick Refinery July 29

According to a company spokeswoman, the refinery is running at "slightly reduced capacity" after a lightning strike outside the refinery property cut power to the facility late July 29. Traders say that one of two crude units and several downstream units were shut. Local media reported that the power outage caused two flange units to leak gasoline and diesel fuel. According to the reports, one of the flanges caught fire but was quickly extinguished. The Irving Oil spokeswoman said that some units at the refinery had already been restarted early July 30 and that the company expected to restart the rest of the units by the end of July 30. This was the second power outage in less than a week at the refinery.

OPIS Alert, 11:17 July 30, 2008

Bloomberg News, 15:46 July 30, 2008

<http://www.thechronicleherald.ca/Search/9007795.html>

<http://www.cbc.ca/canada/new-brunswick/story/2008/07/30/nb-irving.html>

Infrastructure Security Brings Stability to Iraq's Oil Sector – Report

According to a quarterly report released by the U.S. Defense Department's Inspector General for Iraqi Reconstruction, Iraqi oil production set new records this quarter, with output reaching 2.43 million b/d, the highest quarterly average since the 2003 invasion. The report attributes this increase, in part, to improved security across Iraq and, in particular, to the success of the U.S.-funded Pipeline Exclusion Zone (PEZ) program. The Kirkuk-to-Baiji PEZ project produced a system of ditches, berms, fences, and concertina wire protecting oil pipelines, all of which are secured by Iraqi security force personnel. As a result of the enhanced security measures, there have been no successful attacks on oil pipelines in Iraq this year.

Highlights: [http://www.sigir.mil/reports/quarterlyreports/Jul08/pdf/Highlights - July 2008.pdf](http://www.sigir.mil/reports/quarterlyreports/Jul08/pdf/Highlights_-_July_2008.pdf)

Full Report: <http://www.sigir.mil/reports/quarterlyreports/Jul08/Default.aspx>

China Threatens ExxonMobil Over Oil Deal with Vietnam in South China Sea

A Hong Kong newspaper says that Chinese diplomats have threatened retaliation if ExxonMobil goes ahead with a preliminary agreement with the Vietnamese state oil company PetroVietnam to exploit oil deposits in the South China Sea off Vietnam's south and central coasts. China claims a large portion of the South China Sea. Vietnam has indirectly responded that its agreement is in force and will proceed.

http://www.worldtribune.com/worldtribune/WTARC/2008/ea_china0383_07_30.asp

Natural Gas

Enterprise Shuts Independence Pipeline for Four Days to Evaluate Repairs July 29

The company shut its 1 Bcf/d Independence Pipeline around 9:00 PM CDT, July 9, for about four days to evaluate previous repairs. The pipeline, which gathers natural gas from 15 wells in the eastern-most producing area of the Gulf of Mexico, was shut after a leak was detected on April 9, and did not reopen until repairs were completed 55 days later.

Bloomberg News, 14:17 July 30, 2008

Other News

Update: U.S. Coast Guard Closes 2 Miles of Mississippi River after More Oil Spills from Disabled Barge

On July 30, the U.S. Coast Guard announced that it had temporarily closed two miles of the Mississippi River near New Orleans as a precautionary measure after a secondary fuel spill from a barge disabled by a collision last week. The damaged barge, DM 932, shifted with dropping river levels and released an unknown amount of additional oil. During the closure, no vessels are allowed to pass along the two-mile stretch. At the time of the secondary spill, a 98-mile stretch of the Mississippi River remained an "existing safety zone", meaning that vessels are allowed to transit the river with increased caution and at reduced speeds. On July 29, the Coast Guard reported that a backlog of vessels waiting to transit the 98-mile stretch had been reduced, and deep draft movement was approaching normal flows.

<http://www.neworleansoilspill.com/go/doc/1794/218836/>

<http://uk.reuters.com/article/oilRpt/idUKN3049409720080730>

Energy Prices

U.S. Oil and Gas Prices July 30, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	126.65	123.73	78.17
NATURAL GAS Henry Hub \$/Million Btu	9.17	9.88	6.53

Source: Reuters

Energy Notes

Fire at Switching Station Knocks Out Power to 11,331 PNM Customers in Albuquerque, New Mexico Metro Area July 30

http://www.istockanalyst.com/article/view/StockNews+articleid_2453321&title=Electrical_Outage_Hits.html

Southern California Gas Co. Reports Small Number of Natural Gas Leaks in Homes after California Quake July 29

<http://www.reuters.com/article/newsOne/idUSN2937200820080729>

Portland Gas Plc Receives County Authorization to Build Pipeline to Connect Underground Salt Cavern Gas Storage Project in Oregon to the National Transmission System

http://www.downstreamtoday.com/News/Articles/200807/Portland_Gas_Storage_Project_Reaches_Mil_12140.aspx

Dominion Asks FERC to Renew Authorizations for Cove Point LNG Expansion Project in Maryland

<http://intelligencepress.com/>

Interior Department Secretary to Announce New Energy Initiative for U.S. Outer Continental Shelf July 30

http://www.doi.gov/news/08_News_Releases/080729.html

Mexico's Pemex Says Year-End Oil Production to Miss Goal by 200,000 b/d

Reuters, 12:30 July 30, 2008

Mexico Says Foreign Investment Reform Wouldn't Reverse Falling Oil Production Before 2020

http://www.reuters.com/article/reutersComService_3_MOLT/idUSN2934804720080729

Update: Russia Further Cuts its Oil Deliveries to Czech Republic

<http://www.iht.com/articles/2008/07/30/europe/czech.php>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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